

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **COMPUTECH HOLDINGS LIMITED**

**駿科網絡訊息有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8081)**

### **DISCLOSEABLE TRANSACTION**

#### **DISCLOSEABLE TRANSACTION**

On 12 September 2011 (after trading hours), Computech Online, a wholly owned subsidiary of the Company, entered into the Agreement to acquire the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan from the Vendor for a total consideration of HK\$4,200,000. The Target Company is principally engaged in the business of money lending and investment holdings and holds a money lenders licence under the Money Lenders Ordinance.

Completion of the Acquisition took place immediately after the entering into of the Agreement. At completion, the consideration of HK\$4,200,000 had been paid by Computech Online to the Vendor in cash.

The Company now holds indirectly 100% equity interests in the Target Company and the Target Company has become a subsidiary of the Company and its accounts will be consolidated with that of the Group.

In addition, on 8 June 2011, the Formal Agreement was entered into by the Target Company in relation to the purchase of the Property. Pursuant to the Formal Agreement, the consideration for the sale and purchase of the Property is HK\$5,150,000 of which HK\$1,545,000 has already been paid by the Target Company to the Property Vendor as deposit. Completion of the Formal Agreement shall take place on 26 September 2011. At completion of the Formal Agreement, the Target Company shall pay the balance of HK\$3,605,000 to the Property Vendor in cash.

The Balance for the purchase of the Property by the Target Company will be financed by the net proceeds from the CB Issue.

As the relevant percentage ratios for the Acquisition calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules.

\* *for identification purpose only*

## **THE AGREEMENT**

Date: 12 September 2011 (after trading hours)

Parties:

Purchaser: Computech Online Limited, a wholly owned subsidiary of the Company

Vendor: Checkmate Advisors Limited

Guarantor: Mr. Chui Bing Sun, as the guarantor to the Vendor, has guaranteed in favour of the Purchaser the due and punctual performance by the Vendor of its obligations under the Agreement

The Vendor is principally engaged in investment holding and is wholly and beneficially owned by the Guarantor. The Guarantor is a private investor. As at the date of this announcement, the Guarantor is interested in 76,800,000 Shares (representing approximately 8.35% of the entire issued share capital of the Company as at the hereof), 69,157,143 Warrants and 9,100,000 Share Options and a consultant to the Company. Save for the abovementioned, the Guarantor has no other relationship nor other previous dealings with the Group, and none of the Vendor, the Guarantor or their respective associates is a Director, chief executive or substantial shareholder of the Company nor an associate of any of them. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Vendor and the Guarantor, being the ultimate beneficial owner of the entire issued share capital in the Vendor, and their respective associates is an Independent Third Party.

### **Assets to be acquired**

Pursuant to the Agreement, Computech Online has agreed to acquire and the Vendor has agreed to sell the Sale Shares and the Sale Loan. The Sale Shares represent the entire issued share capital of the Target Company.

### **Consideration**

The consideration for the sale and purchase of the Sale Shares and the Sale Loan shall be payable by Computech Online to the Vendor in cash at completion of the Acquisition (i.e. immediately after the entering into of the Agreement). The consideration was determined after arm's length negotiation with reference to (i) the net liabilities of the Target Company of approximately HK\$16,000; (ii) the amount of the Sale Loan of approximately HK\$4 million as at 31 August 2011; (iii) value of the Property as assessed by an independent valuer at the amount of HK\$5,200,000 as at 31 August 2011 and (iv) the money lenders licence of the Target Company.

### **Completion**

Completion of the Acquisition took place immediately after the entering into of the Agreement. At completion, the consideration of HK\$4,200,000 had been paid by Computech Online to the Vendor in cash. The consideration was financed by the net proceeds from the CB Issue.

The Company now indirectly holds 100% equity interests in the Target Company and the Target Company has become a subsidiary of the Company and its accounts will be consolidated with that of the Group.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was incorporated in Hong Kong on 14 December 2009 and is principally engaged in the business of money lending and investment holdings and holds a money lenders licence under the Money Lenders Ordinance.

According to the unaudited financial statements of the Target Company for the period commencing from 14 December 2009 (date of incorporation) and up to 31 March 2011, prepared under the generally accepted accounting principles of Hong Kong, no turnover had been recorded and the loss before and after taxation and extraordinary items was HK\$25,648. As at 31 March 2011, the total assets of the Target Company was HK\$18,795 and the unaudited net liabilities of the Target Company was HK\$25,548.

According to the unaudited financial statements of the Target Company for the five months ended 31 August 2011, prepared under the generally accepted accounting principles of Hong Kong, the turnover was HK\$22,976 and the profit before and after taxation and extraordinary items were both HK\$9,142. As at 31 August 2011, the total assets of the Target Company was approximately \$3.99 million and the unaudited net liabilities was HK\$16,406.

## **INFORMATION ON THE FORMAL AGREEMENT**

On 8 June 2011, the Property Vendor as vendor and the Target Company as purchaser entered into the Formal Agreement for the sale and purchase of the Property. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Property Vendor is an Independent Third Party.

Pursuant to the Formal Agreement, the consideration for the sale and purchase of the Property is HK\$5,150,000 of which HK\$1,545,000 has already been paid by the Target Company to the Property Vendor as deposit. Completion of the Formal Agreement shall take place on 26 September 2011. At completion of the Formal Agreement, the Target Company shall pay the balance of HK\$3,605,000 (the "Balance") to the Property Vendor in cash.

The Balance for the purchase of the Property by the Target Company will be financed by the net proceeds from the CB Issue.

## **REASONS FOR THE ACQUISITION**

The Group is principally engaged in provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products in Hong Kong.

As mentioned in the annual report of the Company for the year ended 31 December 2010, in view of the highly competitive IT business environment, the existing repair and maintenance business and call center business may not be promising in near future, and it was considered that the Group would be difficult to achieve a business growth in the I.T. industry for the forthcoming year. As such, in June 2010, the Group had proposed to acquire a mining company in order to diversifying its existing IT business to mining industry. However, the aforementioned proposed acquisition has not been proceeded to completion and has been lapsed in July 2011.

Since then, the Directors have been actively seeking other suitable business opportunities in order to diversify the existing business of the Group into a new line of business with significant growth potential. The Board considers that the demand for money lending business in Hong Kong is significant and the business can provide a steady income stream to the Group. The Directors believe that acquiring the Target Company is an efficient way to enter into the business segment. As money lending business is capital-intensive and in view of the liquidity position of the Group, the Directors will carefully consider the possibility of conducting fund-raising activities for additional funding to support its further business development. However, no concrete plan as to the size or the method of fund raising activities has been finalised as at the date of this announcement.

As regards the Property, it is intended that the Property will be held as staff quarters of the Group after completion of its acquisition.

For the reasons above, the Directors (including the independent non-executive Directors) consider that the Acquisition and the transactions contemplated under the Agreement have been made on normal commercial terms and that such terms are fair and reasonable and that the Acquisition contemplated under the Agreement are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios for the Acquisition calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the entire issued share capital of the Target Company pursuant to the terms of the Agreement
“Agreement”	the sale and purchase agreement dated 12 September 2011 and entered into among Computech Online, the Vendor and the Guarantor in respect of the Acquisition
“associates”	having the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“CB Issue”	the issue of 5% convertible bonds in the principal amount of HK\$22,750,000 by the Company pursuant to the subscription agreement dated 14 April 2011 entered into between the Company and Mr. Tsui Kin Chit, details of which can be found in the announcements of the Company dated 15 April 2011 and 22 August 2011 respectively

“Company”	Computech Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“Computech Online”	Computech Online Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement dated 8 June 2011 (as supplemented by a supplemental agreement dated 28 June 2011) and entered into between the Target Company and the Property Vendor for the sale and purchase of the Property
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Chui Bing Sun, being the ultimate beneficial owner of the entire issued share capital of the Vendor, an Independent Third Party
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	a residential property located at Flat G on 20th Floor, Starlight Garden, 2-14 Electric Street, Hong Kong
“Property Vendor”	the vendor under the Formal Agreement
“Sale Shares”	100 shares in the Target Company, representing the entire issued share capital of the Target Company
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor which amounted to HK\$4,002,070.28 as at 31 August 2011 and as at the date of the Agreement

“Shareholders”	holders of the issued Shares
“Shares”	ordinary share(s) of HK\$0.01 each in issued share capital of the Company
“Share Options”	the share options granted under the share option scheme adopted by the Company and each entitling the holders thereof to subscriber for one Share at the exercise price of HK\$0.144 per Share (subject to adjustment)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Checkmate Finance Limited, a company incorporated in Hong Kong with limited liability
“Vendor”	Checkmate Advisors Limited, a company incorporated in the British Virgin Islands with limited liability
“Warrants”	the non-listed warrants each entitling the holders thereof to subscribe for one Share at the subscription price of HK\$0.07 per Share (subject to adjustment)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board  
**Computech Holdings Limited**  
**Mak Kwong Yiu**  
*Executive Director*

Hong Kong, 12 September 2011

*As at the date of this announcement, the executive Director is Mr. Mak Kwong Yiu. The independent non-executive Directors are Dr. Ip Wai Hung, Mr. Chan Wai Man and Mr. Wong Chung Wai.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) and the website of the Company at [www.computech.com.hk](http://www.computech.com.hk) for at least 7 days from the date of its publication.*